



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION IX

75 Hawthorne Street
San Francisco, CA 94105-3901

SFUND RECORDS CTR

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ITX 2166-04804

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2166-04804

CERTIFIED MAIL NO. P 389 855 413
RETURN RECEIPT REQUESTED

March 16, 1993

Daniel M. Tellep
President
Lockheed Corporation
4500 Park Granada Boulevard
Calabasas, CA 91399

Re: DEMAND FOR PAYMENT OF COSTS
San Fernando Valley Area 1
North Hollywood Operable Unit
EPA Superfund Site I.D. Nos. 59 and N1
Los Angeles County, California

Dear Mr. Tellep:

Pursuant to the authority contained in Section 104 of the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA"), as amended, 42 U.S.C. § 9604, the United States Environmental Protection Agency ("EPA") determined that there was a release or substantial threat of release of hazardous substances from the San Fernando Valley Area 1 Superfund Site, North Hollywood Operable Unit ("the Site") in Los Angeles County, California.

Also pursuant to Section 104 of CERCLA, 42 U.S.C. § 9604, EPA undertook response actions at the Site including but not limited to the following: site investigation and sampling; completion of an operable unit feasibility study and record of decision; design, construction, operation, and maintenance of an operable unit interim remedial action; and development of a basin-wide remedial investigation.

Under Sections 106(a) and 107(a) of CERCLA, 42 U.S.C. §§ 9606(a) and 9607(a), responsible parties may be held liable for all costs incurred by the Government (including interest) in responding to any release or threatened release of hazardous substances at the Site. The definition of responsible parties, given in Section 107(a) of CERCLA, 42 U.S.C. § 9607(a), includes current and former owners or operators of a facility, persons who arranged for treatment and/or disposal of hazardous substances at the facility, and persons who accepted hazardous substances for transport and selected the site or facility to which the hazardous substances were delivered. As a current owner or operator, EPA considers you to be a potentially responsible party ("PRP") with respect to the Site.

This letter, sent to each PRP, specifies the costs that EPA has incurred at the Site and demands payment of these costs. Since your potential liability is considered to be "joint and several," EPA is demanding the total amount of its costs from each PRP. You and the other PRPs may allocate among yourselves the costs to be paid to EPA. Allocations among PRPs are often based on such considerations as each PRP's level of involvement in industrial operations at the Site, the relative threat posed by each PRP's facility to human health or the environment, and the relative financial strength of each PRP. To facilitate coordination among PRPs regarding an allocation or settlement with EPA, we have enclosed a list of the PRPs who have received this letter. While EPA may consider a comprehensive settlement proposal from a cohesive PRP group, EPA's resource constraints, unfortunately, do not allow us to enter into individual settlements for fractions of the total costs demanded.

EPA has incurred at least \$16,801,295.43 in costs for response actions related to the Site as of April 30, 1992. Pursuant to Section 107(a) of CERCLA, 42 U.S.C. § 9607(a), demand is hereby made for payment of this amount plus any and all interest recoverable under Section 107 of CERCLA or any other provisions of law.

This statement of expenditures is preliminary, and does not limit EPA from providing a revised figure if additional costs are identified. EPA anticipates that additional funds may be expended on the Site. Whether EPA funds additional response actions or simply incurs costs by overseeing the parties conducting the response activities, you are potentially liable for the expenditures plus interest.

This figure represents only EPA's costs as of that date. It does not include costs incurred by the United States Department of Justice in regard to the Site. It also does not include the ten percent of the total remedial action costs paid by the State of California and the ten percent of the remedial action operation and maintenance costs paid by the Los Angeles Department of Water and Power ("LADWP"). The State or the LADWP may pursue separate cost recovery actions against you for repayment of their costs including their 10% cost shares.

In accordance with Section 107(a) of CERCLA, 42 U.S.C. § 9607(a), interest on past costs incurred shall accrue from the date of this demand for payment, while interest on future costs shall accrue from the date of expenditure. The applicable interest rates on any unpaid amounts are the same of those determined by the Department of the Treasury each fiscal year for the investments in the Hazardous Substance Superfund, established pursuant to CERCLA Title 26, Chapter 98, of the Internal Revenue Code. EPA is not required by CERCLA to issue a written demand for recovery of prejudgment interest. However, the date a written demand is made

may be used by a court in determining the date from which prejudgment interest begins to accrue.

In the event that you file for protection in the Bankruptcy Court, EPA reserves its right to file a proof of claim or application for reimbursement of administrative expenses against the debtor's estate.

A check in the amount of \$16,801,295.43 should be sent to the address below within thirty (30) calendar days of the date of receipt of this letter. The check should be made payable to the "U.S. EPA Hazardous Substance Superfund". The check and accompanying transmittal letter should clearly reference the identity of the Site (San Fernando Valley Area 1, North Hollywood Operable Unit, SSID Nos. 59 and N1) and should be sent to:

U.S. EPA — Region IX
ATTN: Superfund Accounting
P.O. Box 360863M
Pittsburgh, PA 15251

Please send a copy of the check and transmittal letter, and direct any technical questions you may have concerning matters discussed herein to:

Mr. Christopher Stubbs
U.S. Environmental Protection Agency, Region IX
South Coast Groundwater Section (H-6-4)
75 Hawthorne Street
San Francisco, CA 94105
(415) 744-2248

If you have any questions regarding your liability, please contact, in writing, not later than (30) calendar days after the date of this letter:

Mr. Thomas P. Mintz
U. S. Environmental Protection Agency, Region IX
Office of Regional Counsel (RC-3-3)
75 Hawthorne Street
San Francisco, CA 94105
(415) 744-1333

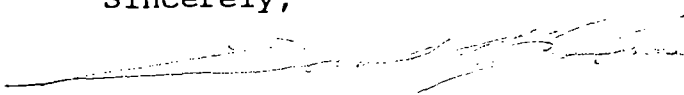
EPA would like to extend to you the opportunity to settle this matter before litigation, in order to save both you and the federal government the burden and expense of litigation. EPA is willing to meet with you and the other PRPs to discuss the possibility of negotiating a comprehensive settlement. Please contact Mr. Mintz to discuss arrangements for negotiations.

If you fail to respond to this demand within thirty (30) calendar days, EPA will conclude that you have declined to

reimburse the Hazardous Substance Superfund for Site expenditures. Consequently, EPA may pursue civil litigation against you, pursuant to Sections 106(a) and 107(a) of CERCLA, 42 U.S.C. §§ 9606(a) and 9607(a).

Thank you for your attention to this matter.

Sincerely,



David B. Jones
Chief, Remedial Action Branch

Enclosure

cc: Thomas Mintz, RC-3-3

Christopher Stubbs, H-6-4

DEMAND LETTER RECIPIENTS
San Fernando Valley Area 1
North Hollywood Operable Unit
March 16, 1993

Dan Burnham
Executive Vice-President
Allied-Signal Inc.
2525 West 190th Street
Torrance, CA 90504

Viggo Butler
President
Lockheed Air Terminal, Inc.
P.O. Box 7229
Burbank, CA 91510

Gregory M. Keough
Vice President
E/M Corporation
2801 Kent Avenue
West Lafayette, IN 47906

Daniel M. Tellep
President
Lockheed Corporation
4500 Park Granada Boulevard
Calabasas, CA 91399

William Cooke
President
Fleetwood Machine Products,
Inc.
11447 Vanowen Street
North Hollywood, CA 91605

Niels Bruun-Andersen
Trustee
Erik and Else Bruun-Andersen
Trust
6829 Farmdale Avenue
North Hollywood, CA 91605

William Cooke
Jerry Conrow
Co-Trustees
Amended Cooke Family Trust
23871 Madison Street
Torrance, CA 90505

Lou Fruchey
President
Pacific Steel Treating Company,
Inc.
6829 Farmdale Avenue
North Hollywood, CA 91605

Gordon N. and Peggy M. Wagner
Co-Trustees
Wagner Living Trust
104 Via Orvieto
Newport Beach, CA 92663

Joseph W. Basinger
2246 Ridgemont Drive
Los Angeles, CA 90046

David Locklar
President
Hawker Pacific, Inc.
11310 Sherman Way
Sun Valley, CA 91352

2166-04804

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

2166-04804

I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address
2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

DANIEL M. TELLEP
LOCKHEED CORP.
4500 PARK GRANADA BLVD.
CALABASES, CA 91399

4a. Article Number

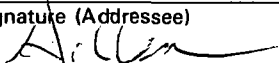
P 389 855 413

4b. Service Type

- ☐ Registered ☐ Insured
- ☒ Certified ☐ COD
- ☐ Express Mail ☐ Return Receipt for Merchandise

7. Date of Delivery

3/27/93

5. Signature (Addressee)

6. Signature (Agent)**8. Addressee's Address (Only if requested and fee is paid)**

Thank you for using Return Receipt Service.